



## Buy This 1 Defensive IPO With Upside Potential

### Description

Take a walk through the city on any given day, and you are likely to see investment opportunities. You'll likely walk past a **Pizza Pizza**, stop by the familiar **Starbucks**, or spot an **Enbridge** van. Since summer is still with us, you're also likely to pass a construction site or two. You are likely to see a familiar lime green vehicle of some variety, or a Hydrovac festooned with a black-and-white mammal.

These vehicles belong to **GFL Environmental** ([TSX:GFL](#))([NYSE:GFL](#)) and **Badger Daylighting**, respectively, and they represent tickers in action. It's often easy to forget that there are actual businesses behind the rows of names an investor scrolls past every day. But investing in nuts-and-bolts companies that you are familiar with can make a big difference. Here's why buying into familiarity can boost a long-term stock portfolio.

### Hold what you know and know what you hold

For one thing, knowing a company as an investment helps investors to understand what they hold in their stock portfolios. This is rather different from knowing an investment as a ticker. Holding what you know helps investors to stay invested during a downturn. Knowing what you hold is also key: since there are enough unknowns in the economy already, having blind spots in your portfolio adds an unnecessary risk.

Investors probably already know of GFL, even if they don't know much about it as a stock. Those lime green vehicles are pretty distinctive, after all. They're ubiquitous, too. In fact, GFL is the fourth-largest service of its kind in the North American market. That makes it a solid wide-moat play for waste management services, with some defensive diversification to boot.

After a pullback this week, investors have a slight value opportunity, as well. This stock is already cheaper than one of its closest competitors, **Waste Connections**. But this week saw GFL down a few percentage points before bouncing back 5%. Investors have an opportunity to buy into weakness and hold for the long term. An analyst favourite, a conservative estimate sees at least 16% upside in this name.

## Buy defensive stocks that match upside with value

It's a tall order, trying to tick all of those boxes at once. But [getting defensive with stocks](#) is sometimes as simple as diversifying into other sectors. Investors could consider looking at names such as **Cargojet**, **Nutrien**, and **Cameco** for long-term upside in potentially overlooked names. These stocks have seen some decent share price action in the last 12 months.

Though there are some signs that a [V-shaped recession](#) could be underway, a swift recovery is still far from a sure thing. This means that investors need to walk a tightrope of defensiveness and growth potential. This is no mean feat at the best of times. However, names like GFL offer a rare combination of these two facets.

Investors light on infrastructure should consider this recently listed stock as part of a diversified portfolio. Holding it alongside other classic defensive asset types will help recession-proof a basket of holdings in the near and mid-term.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:GFL (GFL Environmental)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

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